

FINANCE COMMITTEE REPORT

November 3, 2016

A Finance Committee meeting was held Thursday, November 3, 2016 at 5:00 p.m. in the Quorum Court Meeting Room, Benton County Administration Building, Third Floor, 215 East Central, Bentonville, Arkansas.

Committee Members Present: JP Allen, JP Sheridan, JP Jones, JP Chiocco, JP Slinkard, JP Moore, JP Moehring

Others Present: JP Shadlow, JP J. Harrison, JP Sandlin, JP Anglin, JP Leadabrand, JP Meyers, Circuit Clerk Brenda DeShields, County Treasurer Deanna Ratcliff, County Collector Gloria Peterson, Assessor Linda Hambrick, Benton County Sheriff Meyer Gilbert, Chief Deputy Assessor Roderick Grieve, Chief Deputy Shawn Holloway, Collector's Office Financial Administrator Melsine Carter, Election Commissioner Russell Anzalone, Deputy Prosecuting Attorney Bryan Sexton, Adult Drug Court Michelle Barrett, Deputy Public Defenders Office Lora Nashese and Rebekah Thomas, Road Department Jay Frasier, Sue Elverson, Mike Clifford, American Red Cross Representative Cassidy Watkins

Media: Tom Sissom – Northwest Arkansas Democrat-Gazette.

Committee Chair JP Allen called the meeting to order at 5:04 p.m.

Public Comments:

Mike Clifford commented that he thought the JP's were doing a great job.

Discussion:

Property Tax Update

Collector Financial Administrator Melsine Carter explained that in the County Road funds, they have had to do a 2% increase from each year, this is to project the amount. She stated that this year it was based on the 2016 reappraisal.

JP Allen reminded everyone that the 2% increase is done to be conservative and because a reappraisal is only done every 5 years. He stated that this is why there isn't a big jump.

Melsine replied that in the County General fund they were down 86.49% since the 2015 tax year.

JP Allen asked why she thought it went down almost a percent from the year before.

Melsine explained that the reason for the percentage decrease was because there was a company who did not pay their taxes by the deadline, so that amount became delinquent. She stated that it would have been close to about 87%, if they would have paid on time.

After further discussion regarding current and delinquent taxes collected, Comptroller Brenda Guenther explained that all payments received after the deadline are considered delinquent, but they will still be collected, it just won't be reflected on this year's budget, it will be on next year's budget.

JP Allen asked if as the year goes on, will we still be collecting current money as well as not current money, but does the percentage continue to increase?

JP Jones stated that his interest was in the actual percentage that was collected.

Melsine reported that the County General Real Estate is done the same, but delinquent taxes are not for the current year.

JP Moehring asked why the collection percentage for roads was 84% lower versus the average collection rate.

Melsine stated that the roads are divided between the county and the cities and they receive what is collected from those.

JP Moehring commented that he thought the collection rate would be about the same, but it's about 5 points different. He asked if this was the collection rate before being dispersed to all the cities, why it is 5% lower.

JP Jones stated that if they are taking millage instead of percentage off the millage, then the percentage will show up different and would affect the percentage number.

American Red Cross

Cassidy Watkins a representative for the American Red Cross gave a presentation and reported that she has been going around NWA, to different County Judges and Quorum Courts requesting funding for their Home Fire Incentive. She stated that a lot of people think of Red Cross and think of natural disasters and floods, but something they show up to everyday is house fires. She reported that they have served over 111 citizens in this county by providing clothing, medication, food, water, and funding. American Red Cross gives those individuals a Client Assistant Card, which is much like a visa gift card and each card has \$161 per person. She reported that last year they spent \$17,930 in Benton County on assistance after a fire. She stated that the people within the county use their cards, the money goes back to the county, which means the money funded never leaves your county. Cassidy asked the committee to consider funding \$15,000 by July 17th.

JP Slinkard asked if this county has ever helped fund before and is there any other counties helping with funding at this time.

Cassidy replied that this county has not given to the American Red Cross funds before, and at this time the counties that are helping are south of Little Rock.

JP Moehring asked how many fires are there within the cities.

Cassidy responded that she would send him a report with the street names on them showing where they all have been within the cities.

JP Leadabrand asked what the difference was from insurance paying for it all and getting help from American Red Cross

Cassidy stated that the American Red Cross does not provide funding assistance for those who have insurance, but they do give comfort kits out to everyone.

JP Leadabrand asked how they had come up with the amount they were requesting.

Cassidy stated that last year they spent \$18,000 within this county, so they are requesting the amount of \$15,000.

JP Allen pointed out there is not a line item for this in the budget, but what this organization is doing is great and he would like more information on it. JP Allen requested that Cassidy send that information to Comptroller Brenda Guenther, who could send it out to everyone else.

JP Slinkard asked if this would be through EMS funding.

Brenda Guenther stated that this would be a donation.

JP Sheridan asked if there was a report on those who have given within the county, like himself and where their money was going to help.

Cassidy stated that she would have to see what she could find, but unless a person specifically stated where they wanted their money to go, it went where it was needed at that time.

Fund Summary:

2016 through 10-31-2016

Comptroller Brenda Guenther reported from the payroll standpoint we have a target of 84.62% and currently are at 79.3%. All of workman's comp. has been paid, so we will no longer have to wonder if the salary is good or bad. Brenda reported for the overall General, we set a target of 83.33% and we currently are at 76.02%.

JP Slinkard pointed out that we do not receive anything from our District courts, but where does their funding come from.

Brenda Guenther responded that we make monthly payments to the District courts for them to pay their salaries.

JP Slinkard questioned if the money then comes from Other Services.

Brenda Guenther reported that All Other Funds for Personnel has a target of 84.62% and we are at 79.24%, and the rest of the funds have a target of 83.33% and we sit at a 70.91%. She reported that in general we are doing fine, but we are a little ahead in County Health, so we will be watching that and will report back. Brenda Guenther commented that we are running a little high in claims as well, and again we will keep an eye on this and report back to you.

2016 vs. 2015 Comparison through 10-31-2016

Comptroller Brenda Guenther reported in Personnel we are currently 2.8% higher this year than last, but because of the additional staffing this is normal. In Overall Total we are doing very well within our expenditures at 85%, this is a little lower than last year by \$338,124. Brenda stated that the reason for this being lower is that the capital is running almost a million dollars less than last year. Brenda Guenther reported in Other Funds we have spent almost three million dollars more than last year, but most of that was from the renovations of the courthouse.

Monthly Reports:

Overtime & Premium Pay Analysis

Comptroller Brenda Guenther stated that this one did not load like it was supposed to, so she would report on it later.

Fuel Analysis

Comptroller Brenda Guenther reported that this year we have spent a total of 67.83% on fuel for the Sheriff /Jail and spent 44.44% on fuel for the Road department. She stated that a year ago to date we had spent 79.05% on fuel for the Sheriff/Jail and spent 85.76% on fuel for the Road department. Brenda Guenther stated that this year we have spent a total of \$196,710 for the Sheriff/Jail, which is \$59,940 less this year than last. In the Road Department they spent a total of \$422,139, which is \$566,309 less than it was in 2015. Brenda Guenther reported that currently the price for unleaded gas is \$1.83 per gallon, putting us at 13.14% less this year, and the price for diesel is \$1.50 per gallon, putting us at 19.22% less this year. She stated that last month JP Meyers had requested a report on what was used on a month to month basis, she stated that the report will show actual gallons purchased on a month to month spreadsheet.

Sales Tax Numbers

Comptroller Brenda Guenther reported that for sales tax, we have had a very good month, we are at 20.77% versus a year ago. She stated that we are up 2.41% in sales tax and right now we are running on trend to make it to the \$8 million budget. Brenda Guenther stated that JP Moehring had requested a report on past years and how they were trending, she reported that the graph she made shows the trend going up for a number of years, but when Bella Vista became incorporated the trend started to go down.

JP Allen asked where the sales tax money has been coming from.

Brenda Guenther stated she would have to report that at Tuesday's meeting, because she has done an analysis on this, but would have to check.

Jail Collections

Comptroller Brenda Guenther reported that the total collections for this year have been about \$1.4 million versus the budgeted amount of \$2.5 million. She stated that we do have more information on the DOC monies, because of JP Allen calling and asking more about it. Brenda stated that apparently the monies had been sent to the wrong place, but that has been corrected and it will be coming to us now. She reported that we should be getting some good monies in for this fund soon and we will see a large rise in the November and December collections. Brenda Guenther reported that last month we approved the second reading of the increase of fees to house the prisoners, going from \$45 to \$50 starting in 2017. She stated that this should give us approximately another \$20,000 for next year.

Convenience Center Data

Comptroller Brenda Guenther reported that she made some changes to the report that was uploaded to the dashboard. She added more of the cities that are involved. She stated that this way people can see how they are doing, tell how many people visited the site, and how they heard about the site. Brenda Guenther stated that they do have the money in the budget to add the new Bella Vista

site. She stated that their total projected cost was reported at \$161,933.05, so far this year and that total cost was broken down into three different quarters with a year to date total of \$100,279.99. Quarter four has not been done yet, but it will be what finishes out our year. Brenda Guenther pointed out there is an asterisk at the bottom of the report, she stated that this shows that the Solid Waste District had agreed to pay \$30,000 of the disposals, but ended up paying \$36,000, and so they absorbed \$6,000 of the overage. She stated that we had budgeted for \$40,000 and currently we have had to spend zero of it.

Grants Administrator Report

Comptroller Brenda Guenther reported that there weren't really any changes to this report from last month. She stated that they did get an e-mail on the Bullet Free Vest Grant and it stated there was a large amount of money requested this year, and we were only awarded \$32. Brenda Guenther commented that that won't get us much so she is going to call and verify that amount is right. She reported that the county had also requested 5 tablets from the Justice Center Grant, and that money should be getting to us shortly. Brenda Guenther stated that there are a couple of the GIF Grants that we are trying to follow up on to see if we will be awarded anything. She reported that she did talk to Drew Shover on the Endeavor Grant, and he stated there is still some communication going on with that one.

Ordinance Requests:

1. Millage Ordinance – Levy 2016 Taxes for 2017

Comptroller Brenda Guenther reported that this is an Appropriation Ordinance for all the cities. She stated after speaking with Tena today, this Appropriation Ordinance is still a work on progress, as some of the mills could still possibly change. This Appropriation Ordinance is to set the millage levies for the 2016 taxes to be collected in 2017.

JP Slinkard stated that she would like to move this Appropriation Ordinance on to the Committee of the Whole, but keeping in mind that this is just a draft and that some of the cities could be wrong and need to be changed.

JP Slinkard made motion to forward to the November 8, 2016 Committee of the Whole agenda, seconded by JP Jones.

Motion passed by unanimous show of hands.

2. Adult Drug Court – Appropriation

Comptroller Brenda Guenther reported that this is an Appropriation Ordinance requesting money for the security system in the Adult Drug Court Administration Office. She stated that most of the work for this security system was done in 2015, but they did not want to pay for it unless it was working well and without any issues. Now that they have all the issues worked out they are not able to pay for it, and they are requesting \$2,200.

JP Jones asked where they were located because he thought they did drug court out at the JDC building.

Michelle Barrett with the Adult Drug Court reported that Drug Court has always worked out of the Adult Probation Office, however 13 months ago, based on their growth and their numbers they out grew their building. She stated that since she and the drug court administrative assistant Trisha are paid by the county, they asked if they could move out, for more room. She reported that they are housed in the white trailer that used to be the Road Department's. Michelle Barrett stated that since September they have been over there and they have had no law enforcement, which is something they had at the other location. The grant put in the security system so that they would have at least that. She stated that along this process they have had some issues with getting it to work. Michelle Barrett commented that they have the money it just has not been appropriated yet for this year's budget.

JP Allen asked if this is a request is to transfer the money over to this year's budget.

Brenda Guenther stated that this is correct, but there are funds in that account from the drug courts. Michelle Barrett commented that the funds are a part of the Drug Courts fund collection, they just need it appropriated for this year's budget.

JP Leadabrand asked if this is going to be a reoccurring bill or a one-time bill.

Brenda Guenther stated this will only be a one-time thing.

JP Moehring made motion to forward to the November 8, 2016 Committee of the Whole agenda, seconded by JP Chiocco

Motion passed by unanimous show of hands.

3. Extension Service/Health Department

Comptroller Brenda Guenther reported that this is a request for an additional appropriation for the overages in the telephone for the Extension Services and the Health Department. Brenda Guenther pointed out that in the Budget meeting Eddie Mahar, from the IT department requested a new override voice system be established for both of these locations. She stated that in the meantime they have created a large amount of long distance overages, over and above what has already been appropriated to them this year. The Extension Services has requested \$2,500 and the Health Department has requested \$5,000 to get through the rest of the year.

JP Allen asked if this request was to just pay the bill.

Brenda Guenther stated that yes, and that it looks like the Extension Services has no extra room to give right now, she stated that the funds have already gone over because of their overage bill.

JP Allen asked why the bills are so much higher than the budget.

Brenda Guenther replied that what she thinks happened was the phone agreement from 2011 was only for 5 years and that it expired. She stated that as soon as the expiration date expired on that agreement the rates went up.

JP Allen asked why they let the agreement expire and who is overseeing that those do not expire.

Brenda Guenther stated that she was not sure, but would talk to Eddie and find out who is over that.

JP Jones asked if they had possibly thought about getting unlimited cell phone plans for everyone in that building and that way all the long distance calls would be free.

JP Slinkard made motion to forward to the November 8, 2016 Committee of the Whole agenda, seconded by JP Jones.

JP Sandlin asked if this would cover the bill for rest of the year or would they be coming back next month to request more.

Brenda Guenther stated that this will take them through rest of the year.

JP Allen commented that this should not make the 2017 budget increase because of the fees.

Brenda Guenther stated that that was correct if the new phone systems that Eddie Mahar had requested gets approved, but if it does not get approved, then yes they will need to increase the amount in the 2017 budget.

Motion passed by unanimous show of hands.

Upcoming Meetings:

JP Allen announced there would be a 5 minute break before going into the Budget meeting that follows tonight's Finance meeting.

Meeting was adjourned at 6:09pm.